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Rec'd November 25, 1949
12:04 a.m.

No Action

FROM: Taipei

TO: Secretary of State

NO: Unnumbered, November 24, 9 a.m.

FOR CSGID INFORMATION SECSTATE, CINCFE, FEAF. FROM ASTARMAT TAIPEI DEPARTMENT PASS ADDRESSEES CITE JM 112.

File

Sun Lien-chung interviewed by Poston 20 November 1949 stated: Information gave Poston earlier in week not complete (JM 97). One of groups dispatched North China now returned with further information on Jehol and Liaoning provinces. Also had information on Hunan not included previously. Formerly he had no authority from Central Government organize movement. Now he had authority, was setting up school to train radio men and other technicians send to guerrilla areas. Stated further that total number of men who could be used as guerrillas more than 2,000,000 arms insufficient at present for this number but more could be provided.

Questioned Sun re ability of Nationalists or any organization to combat Communists due their rigid Pao Chia system. He replied CCP had taken great deal of territory too rapidly to be properly digested, that workers they were using were improperly trained, therefore inefficient. Previously he had also pointed out many groups under the guise of religious movements, other in mountainous areas difficult to control, in addition several groups now active which formerly were anti-Nationalist and now anti-Communist. These last groups still same areas, CCP to date not touched them. Felt was essential act quickly prevent CCP from being able organize rear areas. At present their troop strength small, guerrilla activity could be quite productive.

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Reference northwest, Sun felt some of the turnovers more significant than met the eye. In all instances basic design

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design same, i. e., attempt conserve local strength until opportunity presents itself get out from under CCP domination. Pointed out that Ma Hung-kuei constantly cussing out his relative Ma Hung-ping who had turned over in Ningsia. He questioned real reason Ma Hung-ping's defection. Felt might have been engineered by Ma Hung-kuei to conserve his strenght Ningsia. Comment: Sun and Ma have had frequent conferences recently discussing situation in northwest. Sun still has one army he stated is well equipped with Hu Tsung-nan forces in vicinity Chengtu, the 30th army. May be that Ma while holding up a front with everyone else by blaming turnover on Hung-ping, actually engineered it. This might be further borne out by fact that Ma stated time is not yet ripe to organize resistance. May be waiting for Hung-ping to get set up, CCP to divert themselves elsewhere, then he can step again into position of champion of northwest. Position he lost to his former cousin Ma Pu-feng. (Hung-kuei's family, as he pointed out himself, has not entered into Moslem insurrections of past, has been one which tried to follow middle of road course which might lend weight to above).

Sun further stated it essential for Chinese and US to hold Formosa as base for defense of US and further as base from which to launch guerrilla activities in China. Said that Formosa well set for present. Pointed out that command setup had been clarified by making Huuien overall commander on Chinmen, Kuo CO in Tinghai and Sun for Formosa. He thinks highly of Sun, but pointed out he is young, which undoubtedly means he feels may have friction with older officers. Stated while there would continue to be some friction between Sun and Chen Cheng, he felt worst was over. Air Force was 90 percent loyal but did not have too high opinion of Navy. Both were and are bothered by lack of funds. One difficulty involving CAF is fact Chennault pointed out to Generalissimo some of its failings. When Generalissimo pointed these out to Chou Chih-jou, Chou told him that if Generalissimo did not like way he operated he would step out and Generalissimo could put Chennault back in. Sun stated worst person in Taiwan was Tang En-po, who should be completely removed from the picture.

Sun asked to tell American Consul General MacDonald that

Chen knew

-3- #Unnumbered, November 25, 9 a.m., from Taipei

Chen knew there were things going on which were wrong and needed correction, that he (Chen) wanted word passed to MacDonald that if at any time MacDonald or US not satisfied with way things were going, or wanted any changes or suggestions, Chen wanted MacDonald to come directly to him and tell him.

MACDONALD

TT:CN

NOTE: Relayed Army for CSGID, CINCFE, FEAF 11/25/49, 4 a.m., EH